MITSUI & CO., LTD.

Interim Business Report

First half of the fiscal year ending March 31, 2011

April 1, 2010 to September 30, 2010

The 92nd fiscal year of Mitsui & Co., Ltd.

Translated document
This report has been prepared in English solely for the convenience of foreign readers, based on the *Chukanhokokusho* for the first half of Mitsui's 92nd fiscal year. The original report in Japanese is definitive.

Terminology
In this translated report, the terms the "Company" or "Mitsui" refer to Mitsui & Co., Ltd.

三井物産株式會社

From the President

We are pleased to bring you the Interim Business Report for our 92nd fiscal year, which ends on March 31, 2011.

For the six-month period under review we achieved consolidated net income attributable to Mitsui & Co., Ltd. of ¥183.2 billion, a significant increase of ¥110.4 billion from the interim period of the previous year. Amid a mild economic recovery led by emerging markets, we benefited from more favorable commodity markets and achieved a progress rate of 57% on the plan we formulated at the beginning of the year.

The global economy is expected to continue its moderate rate of recovery, sustained by solid growth in emerging markets and resource rich countries. However, the global economy faces an increased level of uncertainty, given various matters of concern, including the waning effect of stimulus packages in many economies, the tightening of monetary policies and their effect on the principal emerging economies, and the effect of the strong Japanese yen on the Japanese economy and corporate activity. For these reasons, forecast net income attributable to Mitsui & Co., Ltd. for the full year remains unchanged from the amount of ¥320.0 billion announced at the start of the year.

The interim dividend for the period is ¥20 per share (¥7 per share in the previous interim period). This reflects our basic dividend policy of targeting a minimum consolidated payout ratio of 20%, while taking a flexible approach that takes into account business performance, retained earnings, and the business environment. For the full year, assuming we achieve the consolidated net income attributable to Mitsui & Co., Ltd. target for the year of ¥320.0 billion, we currently envisage a total dividend for the year of ¥40 per share (¥18 per share for the year ended March 2010), including the interim dividend of ¥20 per share. This represents a consolidated payout ratio of 23%.

In May 2010 we announced our new "Medium-Term Management Plan for the two-year period ending March 2012". The plan is aimed at concentrating our efforts to further reinforce our earnings base and business engineering capabilities. Based on this plan, and amid uncertainty in the global economy, we intend to pay close attention to economic, financial and commodity market trends, carefully balancing investment for future growth and returns to shareholders as we work to increase corporate value.

We look forward to your ongoing support.

Masami Iijima

President and Chief Executive Officer
December 2010

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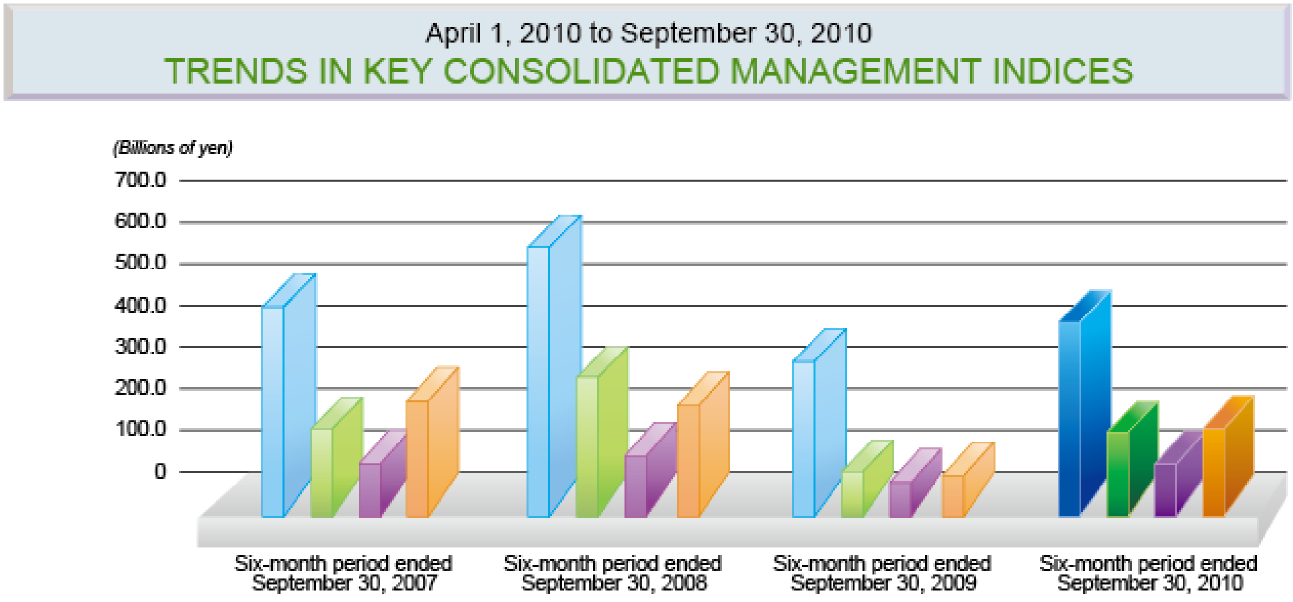
Note 1: In this translated report, the term "the Group" refers to "corporate organizations" as defined in Clause 2, Article 122 of the enforcement regulations of the Corporate Law of Japan.

Note 2: In this translated report, the term "Net income (loss) Attributable to Mitsui & Co., Ltd. is equivalent to the former use of "Net income (loss)".

First half of the fiscal year ending March 31, 2011

TRENDS IN KEY CONSOLIDATED MANAGEMENT INDICES



(*Billions of yen*)

	Six-month period ended September 30, 2007	Six-month period ended September 30, 2008	Six-month period ended September 30, 2009	Six-month period ended September 30, 2010
Gross profit	475.9	618.1	344.5	437.8
Operating income	178.9	302.1	76.0	169.8
Equity in earnings of associated companies	101.5	119.7	56.0	100.0
Net income (Attributable to Mitsui & Co., Ltd.)	251.9	240.5	72.8	183.2

Notes:

1. Mitsui & Co., Ltd. and its subsidiaries (collectively "the companies") have included the information concerning Operating Income because its is used by similar Japanese trading companies as an industry benchmark, and the companies believe it is a useful supplement to results of operations data as a measure of the companies' performance compared to other similar Japanese trading companies.
2. In accordance with Accounting Standards Codification ("ASC") 205-20, "Presentation of Financial Statements—Discontinued Operations", the figures for the six-month periods ended September 30, 2007 ,2008, 2009 and 2010 relating to discontinued operations have been reclassified.

Part I. Business Review

1. Operating environment

THE GLOBAL ECONOMY

The global economy showed an improved financial environment and strengthening demand reflecting the outcome of intervention by the governments and central banks of various countries around the world since the financial crisis. Overall economic recovery remains moderate, however, with continued high levels of unemployment in the U.S. and Europe.

In the U.S., there have been signs of improving personal consumption and capital investments, but the recovery in employment is lagging and the housing market remains sluggish.

In Europe, economy has been recovering moderately. Exports from countries such as Germany and France have grown supported by the weak euro, while in countries such as Greece and Spain, fiscal problems have negatively affected their markets and unemployment remains high. These factors have restricted growth of European economy.

In Asia, China has continued to be the driving force behind growth of the world economy with its sustained high growth rate. However, the pace of investment in infrastructure has moderated somewhat as the county implemented policies intended to avoid over-heating the economy, such as measures to restrain real estate transactions. Other Asia countries, including India and ASEAN countries, have demonstrated steady recoveries with strong exports and personal consumption.

Prices of international commodity markets were generally sound during the period, supported by economic growth in emerging economies, and Oil prices (WTI future) market was stable at around US$80 per barrel.

THE JAPANESE ECONOMY

The Japanese economy has been improving with increasing exports to the U.S. and European countries, and higher personal consumption particularly in home appliances and automobiles. In personal consumption, a particularly hot summer led to strong sales of air conditioners, while sales of automobiles and tobacco increased dramatically prior to the respective end of government subsidies and the introduction of tobacco tax increases. However, the strengthening Japanese yen has made the economic outlook increasingly uncertain, with caution in corporate spending and slow recovery of the employment and income situation.

The Bank of Japan has further eased monetary conditions by new monetary policy to sustain the

Japanese economy. In foreign exchange market, the Japanese yen appreciated against the U.S. dollar to around 80 yen to the dollar. While the government and the Bank of Japan conducted the largest foreign exchange intervention on record as one-day operation, the Japanese yen has remained high level after that. In equity markets, the Nikkei stock average continued to decline from a starting point of 11,000 yen at the beginning of the fiscal year to levels as low as around 9,000 yen in late August and early September.

The global economy is expected to recover moderately, sustained by solid growth in the emerging economies and resource rich countries. However, the global economy faces an increased level of downside risk in the short term. Close monitoring of the dynamics of the commodity markets and economic conditions, as well as navigating through those risks, has become increasingly critical.

2. Operating results, financial condition, etc.

1. OPERATING RESULTS. FINANCIAL CONDITION AND CASH FLOW

BUSINESS PERFORMANCE OVERVIEW

Mitsui and its subsidiaries posted net income attributable to Mitsui & Co., Ltd. of ¥183.2 billion, ¥110.4 billion higher than the ¥72.8 billion recorded in the corresponding six-month period of the previous fiscal year (hereinafter called “previous interim period”). Despite the fact that recovery of the real economy was uneven depending on the region and the industry, the global economy continued to recover supported by strong economic growth in developing countries, particularly in Asia. In such an economic environment, the Mineral & Metal Resources and the Energy segments reported sharp increases in gross profit reflecting a run-up in iron ore and oil prices. All other segments, excluding the Machinery & Infrastructure Projects, which recorded mark-to-market valuation losses on long-term power derivative contracts, and the Chemical, the trading activities for petrochemical products of which underperformed, posted increases in net income. This reflected the recovery in prices and trade volume, as well as reversal effect of impairment losses on securities recorded in the previous interim period.

Equity in earnings of associated companies increased sharply, reflecting higher commodity prices as well as increases in sales volume. At the same time, however, reversal of deferred tax liabilities for undistributed retained earnings declined, reflecting a decline in dividends received from associated companies.

The annualized ROE for the six-month period ended September 30, 2010 was 16.5%.

FINANCIAL CONDITION

Total assets as of September 30, 2010 were ¥8.2 trillion, a decline of ¥0.2 trillion from ¥8.4 trillion as of March 31, 2010. Investments and plant, property and equipment ("PPE") decreased by ¥0.1 trillion with a drop in global equity prices, as well as the impact of the appreciation of the Japanese yen against the U.S. dollar and the Australian dollar. Current assets declined by ¥0.1 trillion due to a decrease in cash and cash equivalents, trade receivables and inventory. Total Mitsui & Co., Ltd. shareholders' equity as of September 30, 2010 was ¥2.2 trillion, equivalent to the level of March 31, 2010. This reflects the aforementioned appreciation of the Japanese yen against foreign currencies as well as lower equity prices, despite an increase in retained earnings.

The Net Debt-to-Equity Ratio ("Net DER") as of September 30, 2010 was 0.92 times.

CASH FLOW

Net cash provided by operating activities for the six-month period ended September 30, 2010 was ¥270.8 billion. Net cash provided by operating activities was comprised of operating income of ¥169.8 billion and dividends received of ¥95.5 billion, including those from associated companies. Net cash used in investing activities for the six-month period ended September 30, 2010 was ¥280.5 billion due mainly to other expansion-related expenditures for natural resources in the Mineral & Metal Resources and the Energy segments and investment in natural-gas-fired power stations in Mexico. Accordingly, free cash flow, or sum of net cash provided by operating activities and net cash used in investing activities, for the six-month period ended September 30, 2010 was a net outflow of ¥9.7 billion.

2. RESULTS OF OPERATIONS (KEY ITEMS FROM CONSOLIDATED STATEMENTS OF INCOME)

GROSS PROFIT

Gross profit for the six-month period ended September 30, 2010 was **¥437.8 billion**, an increase of ¥93.3 billion compared to the previous interim period. The Mineral & Metal Resources Segment generated significantly higher results, reflecting higher iron ore prices. Gross profit also grew significantly in the Energy Segment, reflecting an increase in both oil prices and production volume. The Iron & Steel Products Segment, along with each overseas segment, also increased gross profits on the back of economic recovery. However, the Foods & Retail Segment reported a decline due to mark-to-market valuation losses on commodity derivative contracts, and the Logistics & Financial Markets and Chemical segments also reported a decline due to underperforming trading activities.

OPERATING INCOME

Operating income* for the six-month period ended September 30, 2010 was **¥169.8 billion**, an increase of ¥93.8 billion compared to the previous interim period. This reflects the significant increase in gross profit outlined above.

Operating income = [gross profit - selling, general and administrative expenses - provision for doubtful receivables]

EQUITY IN EARNING OF ASSOCIATED COMPANIES

Equity in earnings of associated companies for the six-month period ended September 30, 2010 was **¥100.0 billion**, an increase of ¥44.0 billion compared to the previous interim period. Higher iron ore prices led to increases in earnings at Robe River Mining Company (Australia), an investment vehicle company for our Australian iron ore mining business, and at Valepar S.A. (Brazil) reflecting a boost in earnings at its investee, Vale S.A., while earnings also increased at Compania Minera Dona Ines de Collahuasi SCM (Chile) due to higher copper prices. While results benefited from the absence of an impairment loss recorded in the previous interim period on investment in Moshi Moshi Hotline, Inc. (Japan), during the interim period under review an impairment loss was recorded on a real estate project. Overseas power production business reported a decline due mainly to a decline in mark-market valuation gains and losses, such as those on long-term power derivative* contracts.

* Note: For accounting purposes, mark-to-market profits and losses on long-term power derivative contracts, undertaken to ensure stable long-term revenue from power sales, are recorded based on wholesale power market.

NET INCOME

Net income attributable to Mitsui & Co., Ltd. for the six-month period ended September 30, 2010 was **¥183.2 billion**, an increase of ¥110.4 billion compared to the previous interim period. In addition to the impact of higher operating income and equity in earnings of associated companies noted above, key factors contributing to higher net income included the following:

- **Dividend income for the six-month period ended September 30, 2010** was **¥24.8 billion**, an increase of ¥6.8 billion compared to the previous interim period. Dividends received from LNG projects in the Middle East and Equatorial Guinea increased, reflecting higher LNG prices.

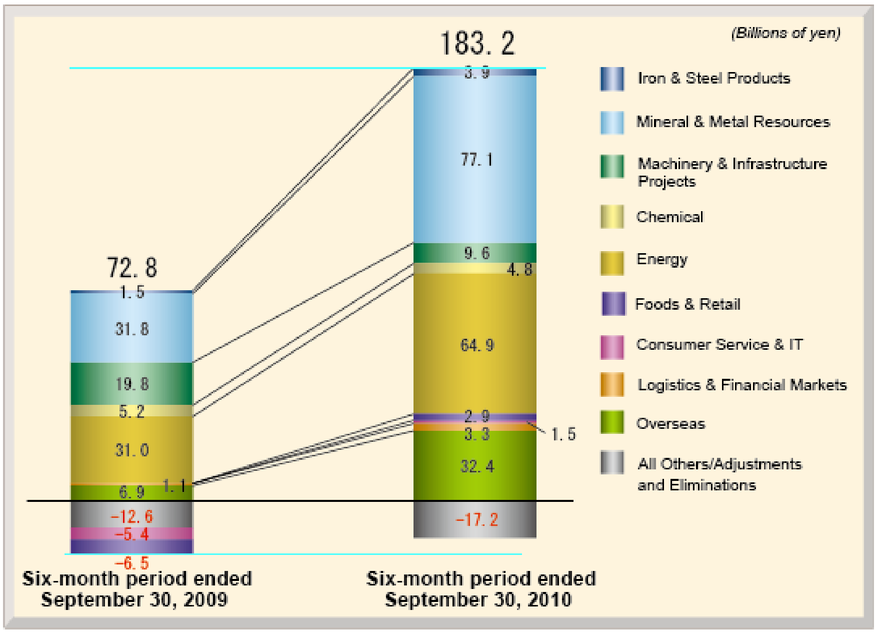
- **Loss on write-down of securities** was **¥6.8 billion**, an improvement of ¥11.9 billion. This improvement reflects the absence of write-downs in the previous interim period of ¥15.1 billion on shares of Seven & i Holdings Co., Ltd. (Japan), among others.
- **Income taxes** totaled **¥90.6 billion**, an increase of ¥55.8 billion. This increase was primarily due to higher income before income taxes and higher equity in earnings of associated companies, and a decline in reversal of deferred tax liabilities related to dividends received from associated companies.

Note 1: "*Income before Income Taxes*" refers to "Income from Continuing Operations before Income Taxes and Equity in Earnings" in the consolidated financial statements on page 39 of this document.

Note 2: We record deferred tax liabilities of 41%, which is the effective tax rate in Japan, on undistributed retained earnings of associated companies based on the assumption that we would sell investments in associated companies in the future. When we receive dividends from associated companies we reverse the deferred tax liabilities while we record tax expense on the dividends received in accordance with Japanese tax laws. Since a major portion of dividends received is treated as non-taxable under the Japanese tax laws, tax expenses on the dividends received are smaller than the reversal amount of the deferred tax liabilities and the balance is credited to tax expenses.

3. RESULTS BY OPERATING SEGMENT

Net Income (Loss) Attributable to Mitsui & Co., Ltd. by Operating Segment



From April 1, 2010, Westport Petroleum, Inc. which had previously been included in the Americas Segment has been transferred to the Energy Segment.
The operating segment information for the six-month period ended September 30, 2009 has been restated to conform to the current year presentation.

- **Iron & Steel Products:** Net income (attributable to Mitsui & Co., Ltd. ; same hereafter) for the six-month period ended September 30, 2010 was ¥3.9 billion, an increase of ¥2.4 billion from the previous interim period. Demand for steel, particularly in Asia, increased as the economy recovered. Although domestic demand for construction-related steel materials remained sluggish, Eco-car tax reductions and Eco points stimulated sales of steel to the automotive and home appliance, resulting in an increase in sales volumes and higher earnings associated with the recovery in the market.

- **Mineral & Metal Resources:** Net income for the six-month period ended September 30, 2010 was ¥77.1 billion, an increase of ¥45.3 billion from the previous interim period. Demand for iron ore increased, particularly in China, as the global economy recovered, and higher iron ore prices led to a substantial increase in gross profit. Equity in earnings of associated companies increased significantly due to large increases in earnings at Robe River Mining Company, Valepar S.A. and Compania Minera Dona Ines de Collahuasi SCM as noted above. Starting from this year, the pricing system between mining companies and steelmakers shifted from annual fixed-price negotiated contracts to a shorter-term pricing system based on the spot market.

- **Machinery & Infrastructure Projects:** Net income for the six-month period ended September 30, 2010 was ¥9.6 billion, a decrease of ¥10.2 billion from the previous interim period. Overseas automotive-related business continued to trend favorably, particularly in developing markets, and a contribution was made by the acquisition of natural-gas-fired power stations in Mexico, but activity remained low in large scale plant projects and shipping-related business. Mainly due to steep power price rises in the U.K., mark-to-market valuation gains and losses, such as those on long-term power derivative contracts, declined by ¥8.0 billion, and reversal of deferred tax liabilities on undistributed retained earnings of associated companies at time of profit distribution also declined. As a result, net income in the segment declined.

- **Chemical:** Net income for the six-month period ended September 30, 2010 was ¥4.8 billion, a decrease of ¥0.4 billion from the previous interim period. Gross profit increased from higher sales volumes at salt manufacturing operations in Australia and an improvement in the market for ammonia produced at the Indonesia plant, but earnings from trading of petrochemicals decreased, as did earnings from polyvinyl chloride. Equity in earnings of associated companies was supported by higher earnings at a methanol plant in Saudi Arabia amid a recovering market. However, reversal of deferred tax liabilities on undistributed retained earnings of associated companies at time of profit distribution declined.

- **Energy:** Net income for the six-month period ended September 30, 2010 was ¥64.9 billion, an increase of ¥33.9 billion from the previous interim period. Gross profit from oil and gas operations increased significantly due to higher oil prices and production volumes, while earnings also increased at Australian coal mining business on higher coal prices. The large increase in net income was supported by higher dividends from LNG projects and higher equity in earnings of associated companies. In relation to the oil spill incident at Mississippi Canyon 252 block in the Gulf of Mexico, we recognized exploration expenses relating to the well and also recognized an impairment loss on property and equipment（Mineral rights） at MOEX offshore 2007 LLC, a subsidiary of Mitsui Oil Exploration Co., Ltd.

- **Foods & Retail:** Net income for the six-month period ended September 30, 2010 was ¥2.9 billion, an improvement of ¥9.4 billion from the net loss of ¥6.5 billion recorded in the previous interim period. A mark-to-market loss was recorded on commodity derivative contracts, and trading in maize, fruit juice and dairy products was weak. In equity in earnings of associated companies, an impairment loss was recorded on Mikuni Coca-Cola Bottling Co., Ltd. due to a decline in the share price, but this was offset by the absence of the write-down of ¥15.1 billion on shares of Seven & i Holdings Co., Ltd. (Japan) that impacted results in the previous year.

- **Consumer Service & IT:** Net income for the six-month period ended September 30, 2010 was ¥1.5 billion, a ¥6.9 billion improvement from the net loss of ¥5.4 billion recorded in the previous interim period. Supported by strong demand in China, electronics and LCD display-related businesses trended favorably, while activity in IT outsourcing, media and fashion business was generally weak. A loss allowance was recorded for office development business in Japan, while in equity in earnings of associated companies an impairment loss was recorded on a real estate project. However, net income for the segment recovered, reflecting the absence of the write-down of listed shares in Moshi Moshi Hotline, Inc. that impacted results in the previous interim period.

- **Logistics & Financial Markets:** Net income for the six-month period ended September 30, 2010 was ¥3.3 billion, an increase of ¥2.2 billion from the previous interim period. Although the commodity market generally trended favorably, there was low market volatility, and the environment for energy-related derivatives trading was tough. The result also reflects the absence of a gain on sale of leased office building that boosted results in the previous interim period. Equity in earnings of associated companies increased, due to a decrease in provisions for doubtful receivables and reversal of reserves for doubtful receivables at JA Mitsui Leasing, Ltd.

- **Americas:** Net income for the six-month period ended September 30, 2010 was ¥9.8 billion, a ¥15.4

billion improvement from the net loss of ¥5.6 billion recorded in the previous interim period. In addition to the absence of the appraisal loss at Champions Pipe & Supply, Inc. (United States) that was recorded in the previous interim period on oil well tubular product inventory, there was robust demand for tubular products for active shale gas development. Steel processing and sales company Steel Technologies Inc. (United States) was reclassified from a subsidiary to an associated company with the sale of a 50% interest in the company. This had the effect of reducing gross profit in this segment, but increasing equity in earnings of associated companies. Other factors influencing the increase in net income for the period included the absence of an impairment loss on goodwill at an automotive retail finance company that negatively impacted results in the previous interim period.

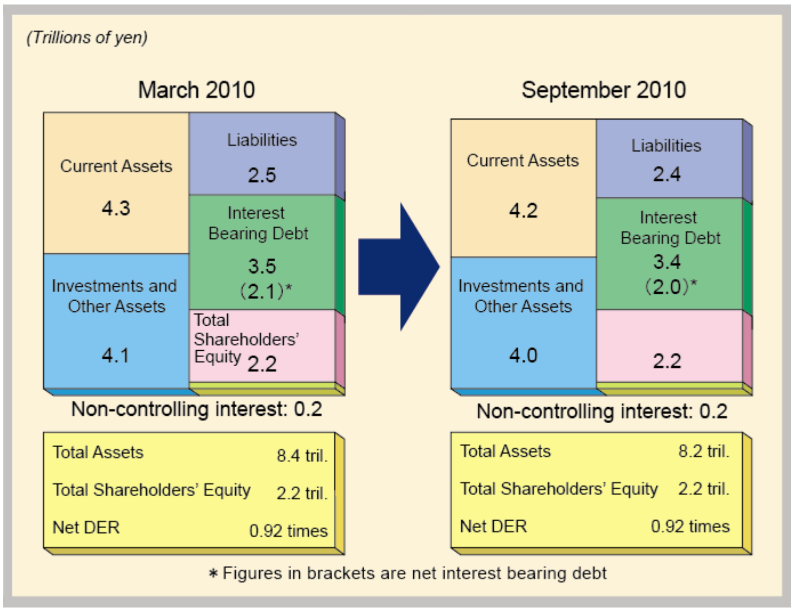
- **Europe, the Middle East and Africa:** Net income for the six-month period ended September 30, 2010 was ¥0.6 billion, a ¥1.6 billion improvement from the net loss of ¥1.0 billion recorded in the previous interim period. Chemical and steel product transactions were firm, and earnings were generated from the sale of real estate.

- **Asia Pacific:** Net income for the six-month period ended September 30, 2010 was ¥22.0 billion, an increase of ¥8.5 billion from the previous interim period. The principal factor behind this increase was an increase in earnings from interests in Australian iron ore and coal mining businesses.

4. FINANCIAL CONDITION OF THE GROUP: Key items from the consolidated balance sheets

Total assets as of September 30, 2010 were **¥8,210.6 billion**, a decrease of ¥158.4 billion compared to March 31, 2010.

Of this, **current assets** were **¥4,157.5 billion**, a decrease of ¥103.6 billion. Trade receivables and inventories declined due mainly to correction of trade receivables for plant construction businesses and a downturn in trading volumes of chemical products.



Current liabilities as of September 30, 2010 declined by ¥128.0 billion to ¥2,252.8 billion. The decrease was due to a decline in current maturities of long-term debt, as well as factors including the reduction in trade payables following the above-mentioned declines in trade receivables.

As a result, **working capital**, or current assets less current liabilities, as of September 30, 2010 totaled ¥1,904.7 billion, an increase of ¥24.4 billion.

- The sum of total non-current assets (namely, **investments and non-current receivables, property and equipment—at cost**, etc.) was ¥4,053.0 billion as of September 30, 2010, a decrease of ¥54.9 billion compared to March 31, 2010. This decrease was mainly attributable to the rapid appreciation of the Japanese yen and the drop in equity prices, and despite investments such as those in natural-gas-fired power stations in Mexico and shale gas projects in the U.S.

  A breakdown of the principal items is as follows.

Total investments and non-current receivables as of September 30, 2010 were ¥2,924.0 billion, a decline of ¥73.8 billion.

Within this category, investments in and advances to associated companies were ¥1,397.1 billion, a decline of ¥6.0 billion. The major increases were a ¥19.8 billion investment in Steel Technologies, which was reclassified from subsidiary to associated company after the sale of 50% of our holdings, and a ¥13.4 billion investment in the project company for the Caserones Copper Mining Project in Chile. However, the investments in and advances to associated companies declined due mainly to the strong Japanese yen.

Other investments were ¥826.3 billion, a decline of ¥139.6 billion due mainly to a ¥107.3 billion decline in unrealized holding gains on available-for-sale securities reflecting a slide in global equity markets and a ¥24.9 billion decline in investments in Sakhalin II project due to capital redemption.

Property leased to others as of September 30, 2010 was ¥304.0 billion, an increase of ¥80.0 billion. The increase was due to acquisition of natural-gas-fired power stations in Mexico.

Net property and equipment as of September 30, 2010 totaled ¥981.3 billion, an increase of ¥2.7 billion. Factors contributing to an increase included participation in shale gas projects in the U.S. and expansions of iron ore and coal businesses in Australia. Factors contributing to a decrease included the reclassification of Steel Technologies from subsidiary to associated company.

Long-term debt increased by ¥17.2 billion to ¥2,927.0 billion primarily due to increases at Mitsui.

- **Total Mitsui & Co., Ltd. shareholders' equity** as of September 30, 2010 was ¥2,215.7 billion, a decrease of ¥14.4 billion. Major components of the decline were a net decline of ¥108.7 billion in foreign currency translation adjustments due to depreciation of the U.S. dollar and the Australian dollar against the Japanese yen, and a net decline of ¥63.6 billion in unrealized holding gains and losses on available-for-sale securities following a decline in stock market prices.

As a result, the ratio of shareholders' equity to total assets as of September 30, 2010 was 27.0%, 0.4 percentage points higher than March 31, 2010. Net interest-bearing debt (interest-bearing debt less cash and cash equivalents and time deposits) was ¥2,031.2 billion, a decline of ¥24.5 billion compared to March 31, 2010, while the Net Debt-to-Equity Ratio (Net DER) remained stable at 0.92 times.

5. CASH FLOWS: Key items of consolidated cash flows

CASH FLOWS FROM OPERATING ACTIVITIES

Net cash provided by operating activities for the six-month period ended September 30, 2010, 2010 was ¥270.8 billion, a decline of ¥58.0 billion from the previous interim period. Major components of net cash provided by operating activities were our operating income of ¥169.8 billion and dividend income of ¥95.5 billion in addition to cash inflows of ¥9.1 billion from improvements in working capital related to operating activities.

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash used in investing activities for the six-month period ended September 30, 2010 was ¥280.5 billion, an increase of ¥240.8 billion from the previous interim period. The primary factors contributing to this outcome were as follows:

- Net outflows of cash that corresponded to investments in and advances to associated companies were ¥25.7 billion. Major cash outflows included a ¥13.4 billion investment in the project company for Caserones Copper Mining Project in Chile and a subscription of newly issued shares in Inner Mongolia Erdos Electrical Power & Metallurgy Co., Ltd. (China) for ¥4.6 billion.
- Net outflows of cash that corresponded to other investments (net of sales and redemption of other investments) was ¥93.5 billion. Expenditures included investment in natural-gas-fired power stations in Mexico for ¥106.8 billion, a subscription of newly issued shares in MODEC Inc. for ¥7.8 billion and additional investment in TPV Technology Limited, a Taiwanese display panel manufacturer for ¥7.6 billion. Major inflows were a ¥24.9 billion capital redemption from the Sakhalin II project.
- Net outflows of cash relating to purchases of property leased to others and property and equipment (net of sales of those assets) were ¥149.5 billion. Major outflows included investment in oil and gas

projects in various regions and iron ore and coal mining businesses in Australia.

As a result, free cash flow, the sum of net cash provided by operating activities and net cash used in investing activities, for the six-month period ended September 30, 2010 was a net outflow of ¥9.7 billion.

CASH FLOWS FROM FINANCING ACTIVITIES

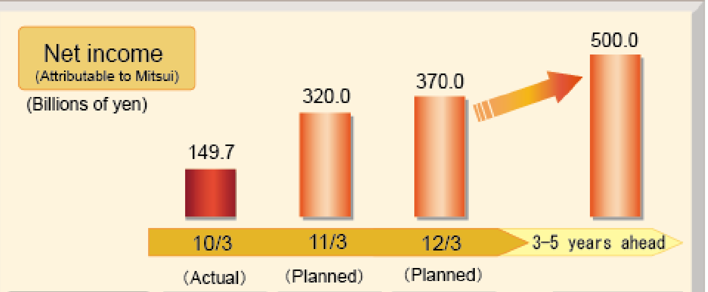
Net cash used in financing activities for the six-month period ended September 30, 2010 was ¥23.4 billion, a decline of ¥34.4 billion from the previous interim period. The net cash outflow from the borrowing of long-term debt, mainly at Mitsui, was ¥64.5 billion, while the net cash inflow from the borrowing of short-term debt was ¥52.3 billion mainly at Mitsui and a holding company for investment in natural-gas-fired power stations in Mexico.

3. Progress with Medium-Term Management Plan

1. Medium-Term Management Plan

**This section describes the contents of the Medium-term Management Plan for the period ending March 31, 2012, announced in May 2010, and may include description which may differ from Mitsui's current understanding of the economic environment.*

Corporate Vision 3-5 Years Ahead - Quantitative Summary



	10/3 (Actual)	11/3 (Planned)	12/3 (Planned)	3-5 years ahead
ROE	7.3%	13.5%	14.0%	12-15%
Net DER	0.92	1.0	1.0	Approx 1.0 x
Total Assets	¥8.4 trillion	¥9.1 trillion	¥9.9 trillion	¥10-12 trillion
Shareholders' Equity	¥2.2 trillion	¥2.5 trillion	¥2.8 trillion	
Net Interest-bearing Debt	¥2.1 trillion	¥2.5 trillion	¥2.7 trillion	

ROE (Net income/Shareholders' Equity)
Net DER (Ratio of net interest-bearing debt to shareholders' equity)

We have formulated and announced our new Medium-term Management Plan covering a period until March 31, 2012, *"Challenge & Innovation 2012" – Stronger Mitsui & Co., Ltd., more distinctive and respected Mitsui & Co., Ltd.,* as we aim to realize the vision outlined in our Long-term Management Vision *"Dynamic Evolution as a 21st Century Global Business Enabler"*, released in March 2009. Based on these initiatives, we are concentrating our efforts to further reinforce our earnings base and business engineering capabilities.

1) The Business Plan for the period ending March 31, 2012

Amid a recovering global economy led by strong economic growth of emerging countries, commodity prices have been staging a sharp rebound, facing further upward price pressures as demand rises with accelerating global growth. Increases in sales volumes and commodity prices of non-resource business areas are also expected, reflecting gradual but steady expansion of demand in those areas. Based on such assumptions, we forecasted earnings for the year ending March 31, 2011 of ¥320.0 billion. Thanks to an increase in equity production of mineral resources and energy businesses as well as further growth of non-resource business areas, we have forecasted the earnings for the year ending March 31, 2012 of ¥370.0 billion. Furthermore, through implementing the key strategies described below, we envisage achieving net income attributable to Mitsui & Co., Ltd. of ¥500.0 billion over the next three to five years, namely the period from 2013 to 2015.

2) Four key initiatives of the Medium-term Management Plan

The four key initiatives of the medium-term management plan are: (a) Reinforcement of the earnings base and business engineering capabilities, (b) Acceleration of the implementation of global strategy and strategic deployment of human resources to bolster such acceleration (c) Evolution of portfolio strategies, and (d) Enhancement of the management system to support a strong company. We discuss each in more detail below.

(a) Reinforcement of the earnings base and business engineering capabilities

We intend to reinforce the business base and business engineering capabilities through the following efforts:

Mineral Resources and Energy areas – Increase the equity production and reserves	● Optimize existing projects through expansion and maintenance, as well as acquire new high quality assets ● Strengthen global trading and marketing functions
Non-resources Business areas – Reinforcement of earnings base	● Expand trading activities and investments in emerging markets, in particular, Asia ● Accelerate investment activities by leveraging global marketing network and focus on upstream in each value chain ● Pursue the globally growing opportunities in infrastructure area through enhancement of investment activities (power generation, water supply and transportations) and related raw materials supply business ● Develop company-wide cross sectional projects by leveraging our business engineering capabilities (Automotive Strategy, Medical Healthcare, and Agri-Food businesses)
Strategy for Environment and Energy	● Further strengthen gas value chain (resources ⇒ supply infrastructure ⇒ power generation) ● Focus on renewable energy (solar, wind power, etc.) ● Develop new business to provide industrial solutions to environmental issues

Reinforcement of our foothold in domestic business	● Further strengthen domestic customer base as leverage for acceleration of global initiatives ● Take proactive approach in reorganizing industries and consolidating business

Our key strategies in the four business areas to achieve the goal for aforementioned efforts are as outlined below

Mineral Resources & Energy	(1) Maintain and improve the earnings base by acquiring high quality assets and recycle our existing assets (2) Enhance competitiveness and value of existing large-scale projects through further expansion of the project scale (3) Strengthen global marketing function to address the increase in demand from emerging economies (4) Employ industrial solutions to environmental issues and develop new businesses with sights set on the future
Global Marketing Networks (particularly steel products, machinery and chemical products)	(1) Build business platforms in the emerging countries with a focus on Asia (2) Create new businesses by strengthening relationships with key customers and partners (3) Accelerate investments by leveraging our global marketing network and focus towards upstream in the value chain
Lifestyle Business	(1) Develop the global business portfolio (especially to Asia) and strengthen marketing function (2) Reinforce initiatives in the area of food resources and materials (3) Further strengthen initiatives in the key business areas (electronics distribution, TV shopping, environmental IT, medical and healthcare and outsourcing business, etc.)
Infrastructure	(1) Expand the electric power business as an IPP player and take on a challenge to develop concentrated renewable energy business (2) Expand and strengthen our business engineering capabilities in the marine energy business, transportation and gas distribution business in the energy value chain (3) Expand water business with existing business platforms (4) Take initiative to develop urban transportation projects and infrastructure for a low-carbon-emission society

(b) Acceleration of the implementation of global strategy and strategic deployment of human resources to bolster such acceleration

We will implement our global commodity-based business strategy of each business unit in the headquarters and provide a local based origination function of the regional business unit which best serves the needs of customers and society with a special focus on BRICs, Mexico and Indonesia. We shall also solidify our global marketing capability, which serves not only within a region but also between regions in order to capture the growing demand of the Asian economies. We will formulate an all round strategic alliance across the industries with strong partners around the world. In support of these initiatives, we will further promote globalization of our human resource base by, among other measures, shifting human resources to Asia and placing more emphasis on hiring in Asian countries.

(c) Evolution of the portfolio strategies

We will continue to dynamically allocate management resources to the strategic business domain, setting clear policy for it through the system including the Portfolio Management Committee. We will also continue initiatives for strategic divestiture and recycling of assets. In addition, we will enhance transferring expertise across the units and focus on fostering managerial talent with a broad view by making continuous efforts on cross-divisional redeployment and exchanges of personnel.

(d) Enhancement of the management system to support a strong company

To prevent a reoccurrence of the inappropriate transactions which took place during the period of the Medium-term Management Outlook, released in May 2006, we have decided to implement more thorough on-site management, enhanced internal control of business processes and promotion of mobilization of personnel. In conjunction with these efforts, we will commence a company-wide initiative to improve business process. Upgrading our information technology capabilities is also essential. We will enhance them by promoting continuous improvements in structures and systems of the information strategy as well as the consciousness of employees toward them.

3) Investment plan of the Medium-term management plan

During the Medium-term Management Plan, we plan a total of ¥1,200.0 billion as expenditure for investments and loans, of which, ¥700.0 billion* is expected to be executed in the year ending March 31, 2011. We also plan to recycle the asset of a total sum of approximately ¥300.0 billion for the two-year period ending March 31, 2012, of which ¥160.0 billion is expected to be executed in the year ending March 31, 2011. As a result, net cash outflow for investing activities for the year ending March 31, 2011 is expected to be approximately ¥540.0 billion. While cash flow from operating activities is expected to be net positive, the free cash flow for the year ending March 31, 2011 is expected to be negative.

11/3 - 12/3 Investment plan: ¥1,200.0 billion

Business areas	Investment amount 11/3	Investment amount 12/3
Mineral Resources and Energy	¥240.0	¥500.0
Global Marketing Networks	160.0	
Lifestyle Business	60.0	
Infrastructure	240.0	

11/3 - 12/3 Divestiture plan: ¥300.0 billion

	11/3	12/3
Divestiture	160.0	140.0

Includes expenditures of ¥200.0 billion of which decisions were made in the year ended March 31, 2010.

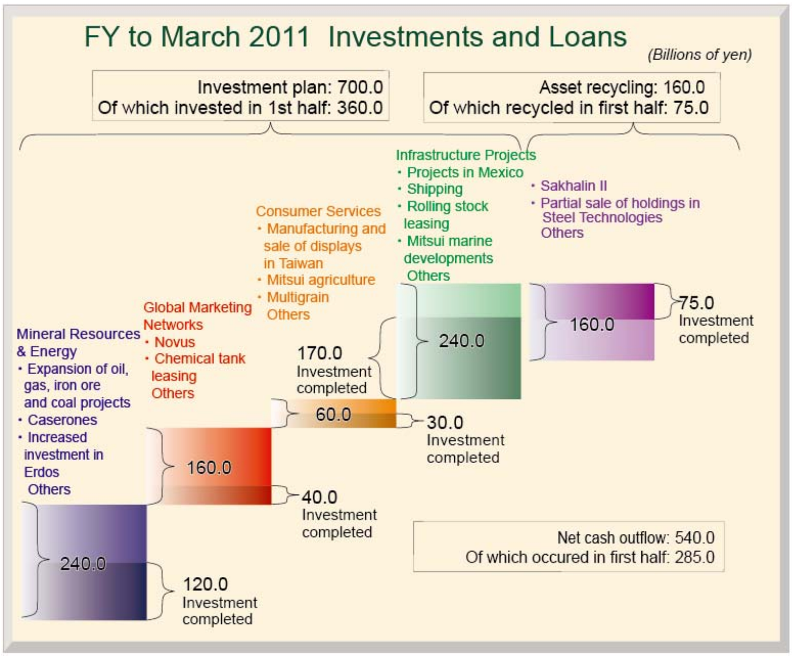
2. Progress with Medium-Term Management Plan in the period under review

Progress with four key initiatives and investment plans under the Medium-Term Management Plan

(a) Reinforcement of the earnings base and business engineering capabilities

During the six-month period ended September 30, 2010, we executed new investments and loans of approximately ¥360.0 billion, while we collected approximately ¥75.0 billion through disposal of assets and investments. We consider this progress is in line with the annual plan for the period ending March 31, 2011, in which we forecast total investment cash outflow for the fiscal year of ¥700.0 billion and inflow of ¥160.0 billion during the period.

We made progress on our key strategies toward reinforcement of the earnings base and business engineering capabilities, as well as investments and loans, as discussed below in each of the four business areas as follows.



In the Mineral Resources & Energy business area, we continued to invest aggressively to realize expansion plans for existing projects. In Australian iron ore and coal mining activities, we invested a total of ¥21.4 billion and ¥7.0 billion, respectively, as part of implementation of our plan to maintain and increase production capacity. To increase our equity tonnage of oil and natural gas steadily we executed capital investments of ¥65.5 billion in total for the oil and gas producing activities including those at the Enfield oil field and the Vincent oil field in Australia, the Tui oil field in New Zealand, a Thailand project and the Marcellus shale gas project in the United States, a large scale unconventional energy resource project, in which capital investment reached ¥25.3 billion during the six-month period ended September 30, 2010. We also made efforts to acquire new non-ferrous metal assets. During the six-month period ended September 30, 2010, while we purchased a 25% interest in the Caserones copper and molybdenum mining project in Chile for ¥13.4

billion in May 2010, we also decided to participate in the Taganito nickel project in Philippines with a 15% interest in September 2010.

At the same time, we received redemption of ¥24.9 billion from Sakhalin II project.

- In the Global Marketing Networks business area, we are taking on challenges to create new businesses by strengthening relationship with key customers and partners with a focus on upstream in the value chain. In iron and steel products area, we contributed Steel Technologies Inc. into a newly established holding company, NuMit LLC, after which 50% of the interest in NuMit LLC was sold to Nucor Corporation (U.S.A), the largest electric furnace steel mill in the world for ¥18.7 billion. This creates a platform to serve both Nucor Corporation and Mitsui in expanding their steel processing operations, and other joint steel-related projects worldwide. In the chemicals area, we acquired a 25% interest in Compania Minera Miski Mayo S.A.C. in July 2010, a company for phosphorus ore development project in Peru which Vale S.A. had been developing, and began cooperation with Vale S.A. in the fertilizer business. Also in July 2010, we entered into an agreement with The Dow Chemical Company, one of the largest chemical manufacturers in the U.S., to form a 50:50 joint venture company for a chlor-alkali project in Texas, the U.S.

Peru: Phosphorus ore development project

- In the Lifestyle business area, we are reinforcing the electronics distribution and food businesses, focusing on Asian markets, particularly China. In April 2010, we carried out a joint cash offer with China Electronics Corporation group, the largest IT group in China, for shares in TPV Technologies Limited (Taiwan), the largest EMS manufacturer of liquid crystal display ("LCD") products. This took our cumulative investment and share in TPV Technologies to ¥21.9 billion and 15.1%, respectively. With this investment, we enhance our business relationship with TPV Technologies, which we had established thorough supplying them with LCD modules and related components, with an aim to further expand our LCD-related business. In September 2010, we reached agreement with Bright Food (Group) Co., Ltd., one of China's largest food conglomerates, on the formation of a strategic partnership encompassing a wide range of food-related business activities. We will contribute to the expansion of Bright Food's existing food business in China, and cooperate in its globalization strategy by utilizing our international business experience and global network. At the same time, we will pursue expansion and diversification of our own business operations in China by drawing on the resources of Bright Food (Group) Co., Ltd., including its business experience, infrastructure and networks across a wide spectrum of food businesses in China.

- In the Infrastructure business area, we are expanding the electric power business as an independent power producer. In June 2010, we acquired natural gas-fired combined cycle power stations in Mexico for ¥106.8 billion, taking our equity power generating capacity at the end of September 2010 up by 1.6 gigawatts to 5.9 gigawatts. In August 2010, we reached agreement with Hyflux Ltd., a major water treatment company in Singapore, to establish a 50:50 joint venture company, Galaxy NewSpring Pte. Ltd., which aims to acquire a total of 22 water treatment plant operation assets located in rapidly developing provinces in China for approximately ¥20.0 billion, including tap water treatment plants and wastewater treatment plants.

Mexico: Natural gas-fired combined cycle power station

China: Water treatment project

(b) Acceleration of the implementation of global strategy and strategic deployment of human resources to bolster such acceleration

We are reinforcing our global marketing functions with a special focus on rapidly growing Asian markets, and as a consequence, gross profit in the Global Marketing Network business area, especially of iron and steel products and chemicals in the Asia Pacific Segment, is increasing. In addition, we achieved several strategic alliances with strong partners across a variety of industries, including our participation in development of the phosphorus ore in Peru with Vale S.A., and additional investment in Inner Mongolia Erdos Electric Power & Metallurgical Co., Ltd., which is making inroads in chemical businesses such as polycrystalline silicon and polyvinyl chloride. To accelerate these initiatives, we are promoting the globalization of our human resource base, and have plans, among others, to shift more than 130 employees from our domestic offices to Asian offices during the period of the Medium-term Management Plan.

(c) Evolution of the portfolio strategies

Working primarily through the Portfolio Management Committee, we continue to examine the portfolio strategy of each business unit and, referring to key performance indicators on subsidiaries and associated companies every year; and other investments as well according to Mitsui's guideline for investment in and withdrawal from business operations. As mentioned above, we are also shifting human resources to the growing Asian region as part of a company-wide initiative. In addition, we continue to transfer expertise across business units and focus on fostering managerial talent by implementing company-wide staff exchange programs.

(d) Enhancement of the management system to support a strong company

As part of a company-wide initiative to improve business processes, we thoroughly reviewed such business processes of each operation. We gathered and organized all the problems in light of internal control and efficiency issues, and revised our internal business process-related regulations to deal with such problems. In addition, we are introducing a new next-generation core system to serve as a common group-wide information platform, use of which will streamline business processes and reduce system costs. The new system will go live in November 2010 for Mitsui and successively for each of the other principal domestic subsidiaries.

3. Forecast of annual results

Net income attributable to Mitsui & Co., Ltd. for the six-month period ended September 30, 2010 was ¥183.2 billion. We forecast net income attributable to Mitsui & Co., Ltd. for the year ending March 31, 2011 to be ¥320.0 billion, the same level of earnings as the original forecast, considering an increase of ¥20.0 billion from the Mineral Resources & Energy Segment due to firm commodity prices offset by a decline of ¥20.0 billion from non-resources areas such as Machinery & Infrastructure Projects, Chemicals, Foods & Retail and Consumer Service & IT segments, which suffered from the deceleration of the economy. The full-year forecast for major income statement items is shown below.

(Billions of yen)

	Current full-year forecast	Forecast at beginning of the year	**Increase (Decrease)**
Gross profit	840.0	850.0	- 10.0
Operating income	285.0	280.0	+ 5.0
Equity in earnings of associated companies*	215.0	210.0	+ 5.0
Net income (Attributed to Mitsui & Co., Ltd.)	320.0	320.0	0.0

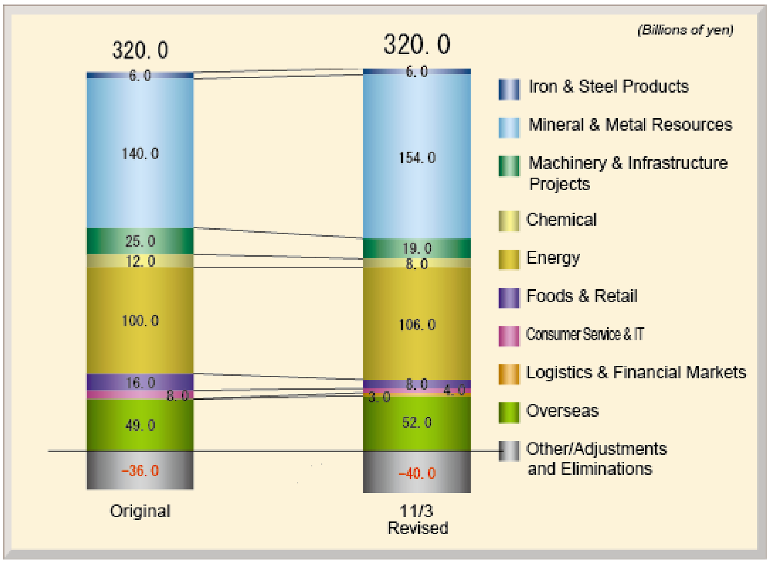
Assumed average foreign exchange rates for the six-month period ending March 31, 2011 are ¥80/US$, ¥80/AU$ and ¥50/BRL, while average foreign exchange rates for the six-month period ended September 30, 2010 were ¥88.16/US$, ¥79.14/AU$ and ¥50.05/BRL.

Gross profit for the year ending March 31, 2011 is expected to be ¥840.0 billion, a decline of ¥10.0 billion from ¥850.0 billion in the original forecast, reflecting appreciation of the Japanese yen despite the higher commodity prices in the Mineral Resources & Energy area. Operating income, however, is revised up by ¥5.0 billion to ¥285.0 billion on an improvement in selling, general and administrative expenses, which are being revised down by ¥15.0 billion compared to the original forecast, reflecting appreciation of the Japanese yen. Interest expense (net) is expected to be ¥3.0 billion, a ¥22.0 billion improvement from the original forecast. Interest rates for both the Japanese yen and U.S. dollar remain low while we had originally forecast increases in interest rates for both currencies against a backdrop of economic recovery. Gains and losses on listed securities and fixed assets are being revised down by ¥10.0 billion to reflect impairment losses on marketable securities and fixed assets recorded in the six-month period ended September 30, 2010 and impairment losses on marketable securities which are expected to be recognized on an assumption that equity prices remain at the same level as end of September, 2010 through the six-month period ending March 31, 2011. Equity in earnings of associated companies is expected to be ¥215.0 billion, an increase of ¥5.0 billion from the original forecast, taking into consideration a run-up in commodity prices in the Mineral Resources & Energy area despite impairment loss on real estate. As a result, net income attributable to Mitsui & Co., Ltd. for the year ending March 31, 2011 is expected to be ¥320.0 billion, the same level as originally forecasted.

4. Forecast of annual results by operating segment

- **Mineral & Metal Resources Segment**: Projected net income attributable to Mitsui & Co., Ltd. for the year ending March 31, 2011 is ¥154.0 billion, an increase of ¥14.0 billion from the original forecast. The primary reason for the increase is a run-up in iron ore prices against a backdrop of growing demand in China.

Forecasted Annual Net Income Attributable to Mitsui & Co., Ltd. by Operating Segment



- **Energy**: Projected net income attributable to Mitsui & Co., Ltd. is ¥106.0 billion, an increase of ¥6.0 billion from the original forecast. We assume the annual average crude oil price (JCC) to be US$78/barrel, US$2/barrel higher than the original forecast, and have factored in the positive impact of the increase in oil prices. We also expect the same volume of our annual equity coal sales for the year ending March 31, 2011 as originally forecasted. We have not incorporated into this revised forecast any impact related to the oil spill incident in the Gulf of Mexico. Please refer to the description found in "The Oil Spill Incident of a Drilling Rig in the Gulf of Mexico" (pages 24 to 27) for further information.

- The projected net income attributable to Mitsui & Co., Ltd. from the **Iron & Steel Products** is ¥6.0 billion, same as the original forecast. We anticipate a decline in earnings reflecting the slowdown of economy compared to the solid performance this segment reported in the six-month period ended September 30, 2010. The projected net income attributable to Mitsui & Co., Ltd. of the **Chemicals** is ¥8.0 billion, a ¥4.0 billion decline from the original forecast due mainly to underperforming trading activities for basic petrochemicals of upstream products and polyvinyl chloride. The projected net income attributable to Mitsui & Co., Ltd. of the **Machinery & Infrastructure Projects** is ¥19.0 billion, a decline of ¥6.0 billion from the original forecast. The decline is related to an increase in mark-to-market valuation losses such as those on long-term power derivative contracts entered into for the overseas power producer business, and a decline in earnings of the marine related business affected by the sluggish market.

- The projected net income attributable to Mitsui & Co., Ltd. from the **Consumer Services & IT** is ¥4.0 billion, a decline of ¥4.0 billion from the original forecast, reflecting valuation losses related to real estate this segment recorded in the six-month period ended September 30, 2010 as well as deceleration of the economy. The projected net income attributable to Mitsui & Co., Ltd. from the **Logistics & Financial Markets** is ¥3.0 billion, a ¥3.0 billion increase from the original forecast due mainly to an improvement in earnings at JA Mitsui Leasing, Ltd. The projected net income attributable to Mitsui & Co., Ltd. from the **Foods & Retail Segment** is ¥8.0 billion, a decline of ¥8.0 billion from the original forecast due to impairment losses on securities.

- The projected net income attributable to Mitsui & Co., Ltd. from the **Americas** is ¥12.0 billion, an increase of ¥2.0 billion from the original forecast. Despite the fact that this segment reported a solid performance in the six-month period ended September 30, 2010, we are forecasting a moderate increase for the segment to take into account growing uncertainties particularly in the U.S. economy. The projected net income attributable to Mitsui & Co., Ltd. from the **Europe, the Middle East and Africa** is ¥1.0 billion, the same level as the original forecast reflecting the solid performance of steel products and chemicals trading businesses, offset by the depreciation of the euro. The projected net income attributable to Mitsui & Co., Ltd. from the **Asia Pacific** is ¥39.0 billion, an increase of ¥1.0 billion from the original forecast. Higher commodity prices are expected to contribute to an increase in earnings for the investments this segment holds in subsidiaries of the Mineral & Metal Resources and Energy segments.

5. Shareholders return policy

In order to increase corporate value and maximize shareholder value, we have sought to maintain an optimal balance between (i) achieving sustainable growth through strategic investments in areas of our core strength and growth, and (ii) paying out cash dividends as direct compensation to shareholders with the target dividend payout ratio of 20% of consolidated net income attributable to Mitsui & Co., Ltd. We reviewed our stance toward shareholders' return policy when formulating under the Medium-term Management Plan with the vision for the next three to five years. We forecast an improvement in earnings reflecting higher prices in commodities against a backdrop of high growth in the emerging economies and gradual but steady recovery of the world economy. Amid such forecasts, to achieve investment in expansion of existing projects, acquisition of new, competitive interests, and investment in building a stable revenue base for the future are all essential, and determined that there is great demand for such investment We also recognized that maintaining a robust financial base is important, one that can stand up to large-scale investments in the face of weakened capital markets. However, we recognize that our shareholders are expecting a stable but high level of shareholder returns. Accordingly, we would like to maintain the target dividend payout ratio of 20% of consolidated net income attributable to Mitsui & Co., Ltd. as a minimum. While we aim to steadily increase dividends from their current levels through improving the performance of the company, we will also consider whether shareholders should be compensated in a more flexible manner, provided that we secure sufficient retained earnings for business development.

Based on the above fundamental policy, we have concluded the dividend payout ratio shall be 23% for the year ending March 31, 2011, upon reviewing the net income recorded in the previous interim period and the forecast net income attributable to Mitsui & Co., Ltd, and future investment demand. Accordingly, we will pay an interim dividend of ¥20 per share for six-month period ending September 30, ¥13 per share increase from the previous interim period. For the year ending March 31, 2011, we currently envisage an annual dividend of ¥40 (including the interim dividend), ¥22 per share higher than for the year ended March 31, 2010, on the assumption that our annual consolidated net income attributable to Mitsui & Co., Ltd. will be ¥320.0 billion and a dividend payout ratio of 23% of consolidated net income attributable to Mitsui & Co., Ltd..

We will continue to review the shareholders return policy taking into consideration on the business environment, future trends in investment activities, free cash flow, interest-bearing debt and return on equity.

4. The Oil Spill Incident of a Drilling Rig in the Gulf of Mexico

On April 20, 2010, a third party semi-submersible drilling rig, Deepwater Horizon, which was conducting exploration work on the Mississippi Canyon 252 block in the Gulf of Mexico, experienced a blow-out event which lead to an explosion, fire and the extensive release of oil into the Gulf of Mexico. MOEX Offshore 2007 LLC (MOEX Offshore), a 100% subsidiary of MOEX USA Corporation (MOEX USA), has a 10% working interest in the block as a non-operator. MOEX USA is a 100% subsidiary of Mitsui Oil Exploration Co., Ltd. (MOECO) in which Mitsui & Co., Ltd. (Mitsui) has a 69.91% equity interest. BP Exploration and Production Inc. (BP), the operator of the project in the block, has been working with U.S. government agencies to drill relief wells for the plugging of the well permanently. On September 19, 2010, BP publicly announced that the operations to plug the well were successfully completed and that it would now proceed to complete the abandonment of the ell and plug and abandon the relief wells.

According to the quarterly financial report for the period ended September 30, 2010 of BP p.l.c., the ultimate parent company of BP, BP p.l.c. posted approximately US$39.9 billion of costs related to the Deepwater Horizon incident.

As of September 30, 2010, Mitsui is not able to estimate the total amount of liabilities that it and its consolidated subsidiaries may incur as a result of the Deepwater Horizon incident, and therefore, Mitsui has not posted any financial liabilities during its second quarter consolidated financial period. Based on the Joint Operating Agreement (JOA) concerning the well to which MOEX Offshore and BP are parties, various liabilities associated with the Deepwater Horizon incident are to be paid by BP. Subject to the outcome of the investigation regarding the root cause of the incident and the degree of responsibilities ultimately afforded to the parties concerned, the liability assigned to MOEX Offshore would be zero as of September 30, 2010 at the minimum level where certain conditions are met in the JOA.

Mitsui considered the following factors in determining if, as of September 30, 2010, Mitsui should accrue financial liabilities as a result of the Deepwater Horizon incident.

As of November 15, 2010, MOEX Offshore has received invoices for reimbursement totaling US$2,133 million from BP. BP has stated that these invoices were issued pursuant to the JOA and that it considers the invoiced amounts as MOEX Offshore’s 10% proportionate share of costs related to the Deepwater Horizon incident. However, MOEX Offshore is uncertain how properly to aggregate the invoices, and therefore, MOEX Offshore has asked BP for clarification, but, as of November 15, 2010, MOEX Offshore has not received a detailed explanation from BP as to the proper calculation. MOEX Offshore estimates that the portion of the costs for the incident paid by BP through the end of October 2010 that corresponds to MOEX Offshore’s 10% interest would be approximately US$1,300 million. MOEX Offshore expects that it will continue to receive invoices from BP, but is unable reasonably to estimate what the amount of those future invoices will be. It is not certain at this point if MOEX Offshore will have to make payment or not, and it cannot reasonably estimate the size of any payment.

In light of the numerous investigations that are currently taking place to determine the facts and circumstances surrounding the Deepwater Horizon incident and the existence of uncertainty with respect to application of the provisions in the JOA, MOEX Offshore has withheld payment of invoices BP has issued to it seeking reimbursement of costs incurred by BP related to BP's response to the incident. MOEX Offshore expects to continue to withhold payment while it continues to examine the situation.

Under the Oil Pollution Act of 1990 (OPA), Responsible Parties (RPs), as defined by OPA, may have joint and several liability for costs and damages under the statute. The United States Coast Guard (USCG) has sent invoices to parties it has identified as RPs, which consist of the parties to the JOA, including BP and MOEX Offshore, and other parties that had a role in the Deepwater Horizon incident and to parties that have been identified as guarantors of RPs.

Mitsui understands that these invoices from the USCG, which are a part of the claims under the OPA, total approximately US$581 million as of November 15, 2010. Mitsui believes that BP has paid all of the USCG invoices. Mitsui expects that BP will continue to pay the USCG invoices in full because BP p.l.c. has stated that it will pay all the reasonable clean-up costs for the incident and has established a fund that totals $20 billion, among other things, to compensate those injured as a result of the incident. As described above, BP has stated that it considers the amounts invoiced to MOEX Offshore for reimbursement as MOEX Offshore's 10% proportionate share of the costs it has incurred in responding to the Deepwater Horizon incident, including the OPA related liabilities mentioned above, purportedly under the terms of the JOA, and MOEX Offshore, for now, has withheld payment of the invoices and has not posted any related contingent liabilities. Should BP stop payment for the clean-up of the Deepwater Horizon incident and refuse to make payment in full for the other costs associated with the incident, MOEX Offshore may be required to make payment.

MOEX Offshore may be subject to fines under the Clean Water Act (CWA) and other state and federal statutes. MOEX Offshore may also be subject to Natural Resource Damage (NRD) costs under the OPA as an RP, and for similar damages under similar state laws. In light of the ongoing investigations by several federal and state governmental agencies into the cause of the incident, MOEX Offshore does not know if any such fines will be imposed or costs assessed upon MOEX Offshore which is a non-operator and is unable reasonably to estimate the size of any such possible losses.

Moreover, MOECO, MOEX USA, MOEX Offshore and Mitsui & Co. (U.S.A.), Inc. have been named as defendants in a number of civil lawsuits seeking recovery for damages purportedly caused by the Deepwater Horizon incident. In addition, plaintiffs have also named as a defendant a company identified as "Mitsui & Co." in some of these lawsuits. It is unclear to Mitsui as to which entity the plaintiffs are referring. The civil lawsuits are at an early stage and so Mitsui is unable reasonably to estimate what MOEX Offshore's and its affiliates' possible loss, if any, will be.

MOEX Offshore has insurance, but the amount of that insurance is substantially less than the amount of the claims it has received to date. In addition, MOEX Offshore may also have coverage as an additional insured under the insurance policies of third parties that are involved in the Deepwater Horizon incident. Mitsui believes that the potential coverage under those policies also is substantially less than the amount of the claims MOEX Offshore has received to date.

Mitsui recognized an impairment loss for the amounts invested to acquire the interest of this lease that were booked as Property and Equipment (Mineral rights) in Impairment loss of long-lived assets, and also recognized certain expenses relating to the well in Other expense-net for the six-month period ended September 30, 2010. Other than that, Mitsui is unable, at this time, to determine the impact, if any, the incident will have on its future consolidated financial position, consolidated operating results or consolidated cash flows.

The above contains forward-looking statements about known and unknown risks, uncertainties and other factors such as including, but not limited to, the outcome of other events in the Gulf of Mexico relating to the incident. For further details about the incident, such as any impact that these risks, uncertainties and other factors may have on Mitsui's actual results, financial position or cash flows, please refer to Mitsui's most recent Form 20-F and other reports on Form 6-K filed with the SEC or in its other public filings or press releases available on Mitsui's website (http:// www.mitsui.co.jp).

5. Outline of financing and capital expenditure

1. FINANCING

Mitsui's basic funding policy is to secure appropriate liquidity required for business activities and maintain financial strength and stability. We procure long-term funds primarily with a maturity of around 10 years, through long-term borrowing from insurance companies, banks and other financial institutions, the issuance of corporate bonds, and other means. For some large projects and other such activities, we utilize financing programs provided by government-affiliated financial agencies and/or project financing.

In principle, wholly owned subsidiaries procure funds not from financial institutions outside the Group, but by using a Cash Management Service, in which wholly owned subsidiaries can procure financing from Mitsui's overseas and domestic financing subsidiaries and overseas offices. We are promoting the centralization of fund raising function and efficient use of funds.

Interest-bearing debt as of September 30, 2010 was ¥3,385.6 billion (a decrease of ¥86.1 billion from March 31, 2010), and net interest-bearing debt after deduction of cash and cash equivalents was ¥2,031.2 billion (a decrease of ¥24.5 billion from March 31, 2010). Approximately 87% of interest-bearing debt as of September 30, 2010 was procured through Mitsui and its overseas and domestic financing subsidiaries and overseas offices. While carefully observing Japanese and overseas business conditions, price movements, economic environments and other relevant trends, we will continue to strive to secure long-term and stable sources of funds.

During the interim period under review, we procured a total of ¥102.0 billion in long-term borrowings from banks, insurance companies and other financial institutions, and issued straight corporate bonds with a total amount of ¥10.0 billion (redemption date: April 19, 2030). In addition, our overseas and Japanese financing subsidiaries and overseas offices procured long-term and short-term borrowings and issued commercial papers and Medium-term notes.

2. CAPITAL EXPENDITURE

For more information on capital expenditure during the consolidated interim period under review, please see FINANCIAL CONDITION: Key items from the consolidated balance sheet on pages 10 to 12, and PROGRESS WITH MEDIUM-TERM MANAGEMENT PLAN IN THE PERIOD UNDER REVIEW, on pages 17 to 19 of this report.

6. Trends in value of group assets and profitability

(Millions of Yen, Except Net Income attributable to Mitsui & Co., Ltd. per Share)

	Six-month period ended September 30, 2007	Six-month period ended September 30, 2008	Six-month period ended September 30, 2009	Six-month period ended September 30, 2010
Total Trading Transactions	¥ 7,328,532	¥ 7,842,736	¥ 4,587,732	¥ 4,866,537
Gross Profit	475,932	618,144	344,528	437,822
Net Income attributable to Mitsui & Co., Ltd.	251,921	250,548	72,835	183,234
Net Income per Share attributable to Mitsui & Co., Ltd. (Yen)	140.26	132.24	39.98	100.42
Total Mitsui & Co., Ltd. Shareholders' equity	2,382,130	2,232,244	2,076,139	2,215,665
Total Assets	10,030,835	9,717,800	8,294,974	8,210,594

Notes:

1. The figures shown in this table have been prepared on the basis of accounting principles generally accepted in the United States of America ("U.S. GAAP").
2. The companies have included the information concerning Total Trading Transactions because it is used by similar Japanese trading companies as an industry benchmark, and the companies believe it is a useful supplement to results of operations data as a measure of the companies' performance compared to other similar Japanese trading companies.
   During the year ended March 31, 2010, the companies changed the reporting of total trading transactions for transactions where the companies serve as an agent, and not as a contradicting party, from gross amounts to net amounts. Accordingly, Total Trading Transactions for the six-month periods ended September 30, 2007, 2008 and 2009 have been reclassified to conform to the current year's presentation.
3. Please see Note 2 on page 2 for details related to the reclassification due to discontinued operations by the six-month period ended September 30, 2010
4. Figures less than ¥1.0 million and figures less than ¥1/100 (in the case of Net Income attributable to Mitsui & Co., Ltd. per Share) are rounded.

PART II: CORPORATE OUTLINE

1. Principal group business (As of September 30, 2010)

The Group is engaged in its business through the domestic product segments and overseas offices, subsidiaries. Along with its domestic and overseas affiliate companies, the Group is engaged in the sale, import, export, international trading and manufacturing of various products from the Iron and Steel Products, Iron and Steel Raw Materials and Non-Ferrous Metals, Machinery and Infrastructure Projects, Chemicals, Energy, Foods and Retail, and the Lifestyle, Consumer Service and Information, Electronics and Telecommunication business areas. The Group also provides a diversified range of services including transport and financial services in addition to the development of natural resources and investment in operations.

2. Principal group offices (As of September 30, 2010)

Mitsui has 11 domestic offices and branches in Japan in addition to the Head Office, and 139 branches and trading subsidiaries overseas. The principal entities are as follows:

Domestic:	**Head Office**	Chiyoda-ku, Tokyo
	Offices and Branches	Hokkaido Office (Sapporo), Tohoku Office (Sendai), Chubu Office (Nagoya), Osaka Office (Osaka), Chugoku Office (Hiroshima), Kyushu Office (Fukuoka), Niigata Branch (Niigata), Hokuriku Branch (Toyama), Shikoku Branch (Takamatsu)
Overseas:	**Trading Subsidiaries**	Mitsui & Co. (U.S.A.), Inc. Mitsui & Co. Europe Holdings PLC (United Kingdom) Mitsui & Co. (Asia Pacific) Pte Ltd. (Singapore)

Note: For information regarding the overseas offices, subsidiaries and other companies, including the above-listed entities and important subsidiaries and associated companies, please refer to page 32 to 33 of this document.

3. Shares of Mitsui & Co., Ltd. (As of September 30, 2010)

- Number of shares authorized: 2,500,000,000 shares
- Number of shares outstanding: 1,829,153,527 shares (including 3,720,795 treasury shares)
- Number of shareholders: 178,418 shareholders

4. Group employees

Operating segment	Total Number of Company and Subsidiary Employees		Total Number of Company Employees	
	As of September 30, 2010	As of March 31, 2010	As of September 30, 2010	As of March 31, 2010
Iron & Steel Products	2,150	2,257	411	404
Mineral & Metal Resources	560	559	243	238
Machinery & Infrastructure Projects	11,700	10,489	817	799
Chemical	2,857	2,953	728	734
Energy	1,923	1,769	395	391
Foods & Retail	5,420	5,163	403	386
Consumer Service & IT	4,329	4,630	627	668
Logistics & Financial Markets	1,540	1,515	287	286
(Corporate Staff Division)	1,963	1,956	1,443	1,449
Americas	4,386	6,265	210	215
Europe, the Middle East and Africa	1,459	1,527	205	200
Asia Pacific	2,322	2,371	367	362
Total (Compared FY 2009)	40,609 (-845)	41,454	6,136 (+4)	6,132

Notes:The above employee figures do not include temporary staff, seconded or part-time staff.

5. Principal subsidiaries

1. PRINCIPAL SUBSIDIARIES AND ASSOCIATED COMPANIES (AS OF SEPTEMBER 30, 2010)

Subsidiary(S)/ Associated company(A)	Operating Segment	Capital	**Percentage owned by Mitsui & Co., Ltd.**	**Main Business**
Mitsui & Co. Steel Ltd. (JAPAN)(S)	Iron & Steel Products	¥2,400 million	100	Sales of architectural, lumber and building materials
Mitsui Iron Ore Development Pty. Ltd. (Australia)(S)	Mineral & Metal Resources	A$20,000 thousand	100(20)	Production and marketing of Australian iron ore
Valepar S.A. (Brazil)(A)	Mineral & Metal Resources	R$ 7,258,855 thousand	18.2	Investments in Brazilian natural resources company Vale
PT. Bussan Auto Finance (Indonesia)(S)	Machinery & Infrastructure Projects	IDR 275,000,000 thousand	90(15)	Retail finance for Yamaha motorcycles in Indonesia
IPM Eagle LLP(United Kingdom)(A)	Machinery & Infrastructure Projects	US$731,748 thousand	30(30)	Investments in power generation business
Japan-Arabia Methanol Company Ltd. (JAPAN)(S)	Chemical	¥5,000 million	55	Investments in, and product sales of methanol producing businesses in Saudi Arabia
Mitsui Sakhalin Holdings B.V. (Netherlands)(S)	Energy	US$1,172,762 thousand	100	Investment in Sakhalin Energy Investment
Mitsui Oil Exploration Co., Ltd.(JAPAN)(S)	Energy	¥33,133 million	69.9	Exploration, development and sales of oil and natural gas resources
Japan Australia LNG (MIMI) Pty. Ltd. (Australia)(A)	Energy	A$369,050 thousand	50(50)	Exploration, development and marketing of oil and natural gas
MITSUI FOODS CO., LTD. (JAPAN)(S)	Foods &Retail	¥12,031 million	99.9	Wholesale of food products
MIKUNI COCA-COLA BOTTLING CO., LTD.(JAPAN)(A)	Foods & Retail	¥5,407 million	35.7	Production and sales of soft drinks
Mitsui Knowledge Industry Co., Ltd.(JAPAN)(S)	Consumer Service & IT	¥4,114 million	58.4	Consulting, architecture, development and sales of computer systems
QVC JAPAN INC. (JAPAN)(A)	Consumer Service & IT	¥11,500 million	40	TV shopping business
TRI-NET (JAPAN) INC. (JAPAN)(S)	Logistics & Financial Markets	¥400 million	100	International integrated transportation business and related businesses
JA MITSUI LEASING, LTD. (JAPAN)(A)	Logistics & Financial Markets	¥32,000 million	33.4(0.4)	Leasing business
Novus International, Inc. (United States)(S)	Americas	US$100,000 thousand	65(65)	Manufacture and sales of feed additives

Notes:
1. The companies listed above are the major subsidiaries and associated companies of the main business segments.
2. The figures in brackets represent indirect ownership through other subsidiaries.
3. The figures for capital have been rounded.

2. THE NUMBER OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The number of subsidiaries and associated companies as of September 30, 2010, along with the interim periods of the last three years, is as follows:

(Unit: companies)

	Six-month period ended September 30, 2007	Six-month period ended September 30, 2008	Six-month period ended September 30, 2009	Six-month period ended September 30, 2010
Subsidiaries	359	334	296	277
Associated companies accounted for under the equity method	197	209	170	160

Note: Some of subsidiaries and associated companies report their financial statements with further consolidating their subsidiaries and associated companies. The number of companies in the table do not include the latter, namely, those consolidated to other subsidiaries and associated companies.

6. Senior company officers and auditors (As of November 1, 2010)

1. DIRECTORS AND CORPORATE AUDITORS

*Representative Director

Name	Title	Principal position(s)/Areas overseen
Shoei Utsuda	Chairman of the Board of Directors	Chairman, Governance Committee
Masami Iijima*	President and Chief Executive Officer	Chief Executive Officer Chairman, Nomination Committee
Ken Abe*	Director	Mineral & Metal Resources Business Unit; Basic Chemicals Business Unit; Performance Chemicals Business Unit; Transportation Logistics Business Unit
Junichi Matsumoto*	Director	Chief Financial Officer; Corporate Staff Unit (Financial Planning & Administrative Division, Global Controller Division, Segment Controller Division, Finance Division, Investment Administration Division, Credit Risk Management Division, Market Risk Management Division, Investor Relations Division)
Seiichi Tanaka*	Director	Chief Information Officer; Chief Privacy Officer; Corporate Staff Unit (Corporate Planning & Strategy Division, Information Technology Promotion Division, Environmental Social Contribution Division, Corporate Communications Division); Global Strategy; New Business Promotion; Environmental Matters;
Norinao Iio*	Director	Energy Business Unit I; Energy Business Unit II; Financial Markets Business Unit; Domestic Offices and Branches
Takao Omae*	Director	Infrastructure Projects Business Unit; Motor Vehicles Business Unit; Consumer Service Business Unit; IT Business Unit
Masayoshi Komai*	Director	Iron & Steel Products Business Unit; Marine & Aerospace Business Unit; Foods & Retail Business Unit
Daisuke Saiga*	Director	Chief Compliance Officer; Corporate Staff Unit (Secretariat, Corporate Auditor Division, Human Resources & General Affairs Division, Legal Division, Logistics Management Division); Business Continuity Management
Nobuko Matsubara	Director	Chairman, Japan Institute of Workers' Evolution
Ikujiro Nonaka	Director	Professor Emeritus, Hitotsubashi University
Hiroshi Hirabayashi	Director	President, The Japan-India Association
Toshiro Muto	Director	President, Daiwa Institute of Research Ltd.; Chairman, Remuneration Committee
Satoru Miura	Corporate Auditor	
Motonori Murakami	Corporate Auditor	
Hideharu Kadowaki	Corporate Auditor	Special Advisor & Senior Fellow, The Japan Research Institute, Limited.
Naoto Nakamura	Corporate Auditor	Attorney at Law
Kunihiro Matsuo	Corporate Auditor	Attorney at Law
Hiroyasu Watanabe	Corporate Auditor	Professor, Graduate School of Finance, Accounting and Law, Waseda University

Notes:

1. Nobuko Matsubara, Ikujiro Nonaka, Hiroshi Hirabayashi and Toshiro Muto are external directors.
2. Hideharu Kadowaki, Naoto Nakamura, Kunihiro Matsuo and Hiroyasu Watanabe are external Corporate Auditors.

2. Executive Officers

*Serves as director

Name	Title	Principal position(s)/Areas overseen
Masami Iijima*	President and Chief Executive Officer	Chief Executive Officer Chairman, Internal Controls Committee
Ken Abe*	Executive Vice President	Mineral & Metal Resources Business Unit; Basic Chemicals Business Unit; Performance Chemicals Business Unit; Transportation Logistics Business Unit; Chairman, Portfolio Management Committee
Junichi Matsumoto*	Executive Vice President	Chief Financial Officer; Corporate Staff Unit (Financial Planning & Administrative Division, Global Controller Division, Segment Controller Division, Finance Division, Investment Administration Division, Credit Risk Management Division, Market Risk Management Division, Investor Relations Division); Chairman, Disclosure Committee
Seiichi Tanaka*	Executive Vice President	Chief Information Officer; Chief Privacy Officer; Corporate Staff Unit (Corporate Planning & Strategy Division, Information Technology Promotion Division, Environmental Social Contribution Division, Corporate Communications Division); Global Strategy; New Business Promotion; Environmental Matters; Chairman, Information Strategy Committee; Chairman, CSR Promotion Committee
Toshimasa Furukawa	Executive Vice President	Chief Operating Officer, Asia Pacific Business Unit
Norinao Iio*	Senior Executive Managing Officer	Energy Business Unit I; Energy Business Unit II; Financial Markets Business Unit; Domestic Offices and Branches; Chairman, Environment and New Energy Committee
Takao Omae*	Senior Executive Managing Officer	Infrastructure Projects Business Unit; Motor Vehicles Business Unit; Consumer Service Business Unit; IT Business Unit
Masayoshi Komai*	Senior Executive Managing Officer	Iron & Steel Products Business Unit; Marine & Aerospace Business Unit; Foods & Retail Business Unit
Koji Nakamura	Senior Executive Managing Officer	Chief Operating Officer, EMEA（Europe, the Middle East and Africa）Business Unit
Masaaki Fujita	Senior Executive Managing Officer	Chief Operating Officer, Americas Business Unit
Daisuke Saiga*	Executive Managing Officer	Chief Compliance Officer; Corporate Staff Unit (Secretariat, Corporate Auditor Division, Human Resources & General Affairs Division, Legal Division, Logistics Management Division); Business Continuity Management; Chairman, Compliance Committee; Chairman, Diversity Promotion Committee
Junichi Mizonoue	Executive Managing Officer	President, Mitsui & Co. (Thailand) Ltd.
Osamu Koyama	Executive Managing Officer	President & CEO, Mitsui Global Strategic Studies Institute
Shigeru Hanagata	Executive Managing Officer	General Manager, Chubu Office
Yoshinori Setoyama	Executive Managing Officer	General Manager, Kyushu Office
Masahiko Okamura	Executive Managing Officer	General Manager, Osaka Office
Noriaki Sakamoto	Executive Managing Officer	Deputy Chief Operating Officer, EMEA（Europe, the Middle East and Africa）Business Unit
Fuminobu Kawashima	Executive Managing Officer	Chief Operating Officer, Marine & Aerospace Business Unit
Joji Okada	Executive Managing Officer	Deputy Chief Financial Officer; General Manager, Global Controller Division; Chairman, SOA Sec.404 Committee
Takashi Yamauchi	Executive Managing Officer	Chief Operating Officer, Transportation Logistics Business Unit
Shuji Nakura	Executive Managing Officer	Chief Operating Officer, IT Business Unit
Masayuki Kinoshita	Executive Managing Officer	Chief Operating Officer, Mineral & Metal Resources Business Unit
Atsushi Oi	Executive Managing Officer	Chief Representative of Mitsui & Co., Ltd. in China

Name	Title	Principal position(s)/Areas overseen
Terukazu Okahashi	Managing Officer	President, Mitsui &Co. (Canada) Ltd.
Katsumi Ogawa	Managing Officer	Deputy Chief Operating Officer, Americas Business Unit
Takashi Fukunaga	Managing Officer	Chief Operating Officer, Foods & Retail Business Unit
Mitsuhiko Kawai	Managing Officer	Chief Operating Officer, Financial Markets Business Unit
Noritaka Tanaka	Managing Officer	General Manager, Investment Administration Division
Susumu Uneno	Managing Officer	Chief Operating Officer, Performance Chemicals Business Unit
Kazuhiko Fukuchi	Managing Officer	Chief Operating Officer, Consumer Service Business Unit
Shintaro Ambe	Managing Officer	Chief Operating Officer, Infrastructure Projects Business Unit
Motomu Takahashi	Managing Officer	Chief Operating Officer, Iron & Steel Products Business Unit
Mitsuo Hidaka	Managing Officer	Chief Operating Officer, Energy Business Unit II
Ichizo Kobayashi	Managing Officer	Chief Operating Officer, Motor Vehicles Business Unit
Makoto Yoshimura	Managing Officer	General Manager, Internal Auditing Division
Tatsuo Nakayama	Managing Officer	President, Mitsui & Co. (Brazil) S.A.
Motonobu Sato	Managing Officer	General Director, Mitsui & Co. Vietnam Ltd.
Koichi Tanaka	Managing Officer	General Manager, Segment Controller Division
Hironobu Ishikawa	Managing Officer	General Manager, Human Resources & General Affairs Division
Hiroyuki Kato	Managing Officer	Chief Operating Officer, Energy Business Unit I
Yoshihiro Honbo	Managing Officer	Chief Operating Officer, Basic Chemicals Business Unit

PART III: CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheets (Unaudited)

(Millions of Yen)

ASSETS		
	September 30,2010	March 31,2010
Current Assets:		
Cash and cash equivalents	¥ 1,344,847	¥ 1,401,399
Time deposits	9,562	14,563
Marketable securities	4,390	4,361
Trade receivables:		
Notes and loans, less unearned interest	281,050	293,034
Accounts	1,366,540	1,382,259
Associated companies	142,725	162,166
Allowance for doubtful receivables	(18,423)	(18,423)
Inventories	489,960	504,847
Advance payments to suppliers	135,914	96,482
Deferred tax assets—current	40,149	39,809
Derivative assets	114,668	114,463
Other current assets	246,165	266,130
Total current assets	4,157,547	4,261,090
Investments and Non-current Receivables:		
Investments in and advances to associated companies	1,397,121	1,403,056
Other investments	826,332	965,947
Non-current receivables, less unearned interest	441,063	453,299
Allowance for doubtful receivables	(44,461)	(48,472)
Property leased to others—at cost, less accumulated depreciation	303,956	224,000
Total investments and non-current receivables	2,924,011	2,997,830
Property and Equipment—at Cost:		
Land, land improvements and timberlands	156,830	158,528
Buildings, including leasehold improvements	381,880	381,029
Equipment and fixtures	985,713	979,957
Mineral rights	144,861	132,510
Vessels	34,941	29,709
Projects in progress	155,480	170,218
Total	1,859,705	1,851,951
Accumulated depreciation	(878,430)	(873,391)
Net property and equipment	981,275	978,560
Intangible Assets, less Accumulated Amortization	103,307	84,741
Deferred Tax Assets—Non-current	13,957	13,376
Other Assets	30,497	33,387
Total	¥ 8,210,594	¥ 8,368,984

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Consolidated Balance Sheets (Unaudited)

(Millions of Yen)

LIABILITIES AND SHAREHOLDERS' EQUITY	September 30,2010	March 31,2010
Current Liabilities:		
Short-term debt	¥ 268,474	¥ 241,380
Current maturities of long-term debt	190,152	320,480
Trade payables:		
Notes and acceptances	37,103	36,831
Accounts	1,252,023	1,307,980
Associated companies	65,124	63,760
Accrued expenses:		
Income taxes	61,468	37,604
Interest	19,009	19,177
Other	67,085	71,582
Advances from customers	133,512	110,712
Derivative liabilities	73,072	83,972
Other current liabilities	85,789	87,289
Total current liabilities	2,252,811	2,380,767
Long-term Debt, less Current Maturities	2,926,952	2,909,794
Accrued Pension Costs and Liability for Severance Indemnities	33,076	33,927
Deferred Tax Liabilities—Non-current	262,035	305,096
Other Long-Term Liabilities	311,547	309,594
Equity:		
Common stock	341,482	341,482
Capital surplus	428,807	428,848
Retained earnings:		
Appropriated for legal reserve	59,432	53,844
Unappropriated	1,775,663	1,618,101
Accumulated other comprehensive income (loss):		
Unrealized holding gains and losses on available-for-sale securities	60,330	123,891
Foreign currency translation adjustments	(381,435)	(272,665)
Defined benefit pension plans	(46,831)	(49,132)
Net unrealized gains and losses on derivatives	(15,269)	(7,920)
Total accumulated other comprehensive loss	(383,205)	(205,826)
Treasury stock, at cost	(6,514)	(6,321)
Total Mitsui & Co., Ltd. shareholders' equity	2,215,665	2,230,128
Noncontrolling interests	208,508	199,678
Total equity	2,424,173	2,429,806
Total	¥ 8,210,594	¥ 8,368,984

Statements of Consolidated Income(Unaudited)

(Millions of Yen)

	Six-month period ended September 30, 2010	Six-month period ended September 30, 2009
Revenues :		
Sales of products	¥ 1,948,550	¥ 1,741,113
Sales of services	181,088	183,797
Other sales	74,689	76,249
Total revenues	2,204,327	2,001,159
Total Trading Transactions :		
Six-month period ended September 30, 2010, ¥ 4,866,537 million		
Six-month period ended September 30, 2009, ¥ 4,587,732 million		
Cost of Revenues :		
Cost of products sold	1,666,025	1,560,133
Cost of services sold	65,451	63,632
Cost of other sales	35,029	32,866
Total cost of revenues	1,766,505	1,656,631
Gross Profit	437,822	344,528
Other Expenses (Income) :		
Selling, general and administrative	264,514	264,060
Provision for doubtful receivables	3,483	4,475
Interest expense, net of interest income	1,214	9,362
Dividend income	(24,777)	(17,956)
Gain on sales of securities - net	(1,214)	(3,766)
Loss on write-down of securities	6,848	18,651
Loss (Gain) on disposal or sales of property and equipment - net	111	(755)
Impairment loss of long-lived assets	2,527	999
Impairment loss of goodwill	-	3,108
Other (income) expense - net	(4,008)	9,368
Total other expenses	248,698	287,546
Income from Continuing Operations before Income Taxes and Equity in Earnings	189,124	56,982
Income Taxes	90,629	34,848
Income from Continuing Operations before Equity in Earnings	98,495	22,134
Equity in Earnings of Associated Companies - Net	99,953	56,014
Income from Continuing Operations before attribution of Noncontrolling Interests	198,448	78,148
Loss from Discontinued Operations - Net (After Income Tax Effect)	-	(759)
Net Income before attribution of Noncontrolling Interests	198,448	77,389
Net Income attributable to Noncontrolling Interests	(15,214)	(4,554)
Net Income attributable to Mitsui & Co., Ltd.	¥ 183,234	¥ 72,835

Note: In accordance with ASC205-20, the figures for the six-month period ended September 30, 2009 relating to discontinued operations have been reclassified.

Statements of Changes in Consolidated Equity (Unaudited)

(Millions of Yen)

	Six-month period ended September 30, 2010	Year ended March 31, 2010
Common Stock:		
Balance at beginning of period	¥ 341,482	¥ 339,627
Common stock issued upon conversion of bonds	−	1,855
Balance at end of period	¥ 341,482	¥ 341,482
Capital Surplus:		
Balance at beginning of period	¥ 428,848	¥ 434,188
Conversion of bonds	−	1,850
Equity transactions with noncontrolling interest shareholders	(41)	(7,190)
Balance at end of period	¥ 428,807	¥ 428,848
Retained Earnings:		
Appropriated for Legal Reserve:		
Balance at beginning of period	¥ 53,844	¥ 48,806
Transfer from unappropriated retained earnings	5,588	5,038
Balance at end of period	¥ 59,432	¥ 53,844
Unappropriated:		
Balance at beginning of period	¥ 1,618,101	¥ 1,486,201
Net income attributable to Mitsui & Co., Ltd.	183,234	149,719
Cash dividends paid to Mitsui & Co., Ltd. shareholders	(20,081)	(12,779)
Dividends paid per share:		
Six-month period ended September 30, 2010, ¥11.0		
Year ended March 31, 2010, ¥7.0		
Transfer to retained earnings appropriated for legal reserve	(5,588)	(5,038)
Losses on sales of treasury stock	(3)	(2)
Balance at end of period	¥ 1,775,663	¥ 1,618,101
Accumulated Other Comprehensive Loss (After Income Tax Effect):		
Balance at beginning of period	¥ (205,826)	¥ (421,497)
Unrealized holding (losses) gains on available-for-sale securities	(63,561)	66,202
Foreign currency translation adjustments	(108,770)	113,623
Defined benefit pension plans	2,301	19,587
Net unrealized (losses) gains on derivatives	(7,349)	4,540
Equity transactions with noncontrolling interest shareholders	−	11,719
Balance at end of period	¥ (383,205)	¥ (205,826)
Treasury Stock, at Cost:		
Balance at beginning of period	¥ (6,321)	¥ (5,662)
Purchases of treasury stock	(217)	(667)
Sales of treasury stock	24	8
Balance at end of period	¥ (6,514)	¥ (6,321)
Total Mitsui & Co., Ltd. shareholders' equity	**¥ 2,215,665**	**¥ 2,230,128**

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(Millions of Yen)

	Six-month period ended September 30, 2010		Year ended March 31, 2010	
Noncontrolling Interests:				
Balance at beginning of period	¥	199,678	¥	229,783
Dividends paid to noncontrolling interest shareholders		(6,933)		(10,799)
Net income attributable to noncontrolling interests		15,214		17,783
Unrealized holding (losses) gains on available-for-sale securities (after income tax effect)		(9,823)		655
Foreign currency translation adjustments (after income tax effect)		(7,875)		1,444
Defined benefit pension plans (after income tax effect):		1		182
Net unrealized (losses) gains on derivatives (after income tax effect)		(123)		139
Equity transactions with noncontrolling interest shareholders and other		18,369		(39,509)
Balance at end of period	¥	208,508	¥	199,678
Total Equity:				
Balance at beginning of period	¥	2,429,806	¥	2,111,446
Conversion of bonds		−		3,705
Losses on sales of treasury stock		(3)		(2)
Net income before attribution of noncontrolling interests		198,448		167,502
Cash dividends paid to Mitsui & Co., Ltd. shareholders		(20,081)		(12,779)
Dividends paid to noncontrolling interest shareholders		(6,933)		(10,799)
Unrealized holding (losses) gains on available-for-sale securities (after income tax effect)		(73,384)		66,857
Foreign currency translation adjustments (after income tax effect)		(116,645)		115,067
Defined benefit pension plans (after income tax effect):		2,302		19,769
Net unrealized (losses) gains on derivatives (after income tax effect)		(7,472)		4,679
Sales and purchases of treasury stock		(193)		(659)
Equity transactions with noncontrolling interest shareholders and other		18,328		(34,980)
Balance at end of period	¥	2,424,173	¥	2,429,806

Comprehensive Income:				
Net income before attribution of noncontrolling interests	¥	198,448	¥	167,502
Other comprehensive (loss) income (after income tax effect):				
Unrealized holding (losses) gains on available-for-sale securities		(73,384)		66,857
Foreign currency translation adjustments		(116,645)		115,067
Defined benefit pension plans		2,302		19,769
Net unrealized (losses) gains on derivatives		(7,472)		4,679
Comprehensive income before attribution of noncontrolling interests		3,249		373,874
Comprehensive loss (income) attributable to noncontrolling interests		2,606		(20,203)
Comprehensive income attributable to Mitsui & Co., Ltd.	¥	5,855	¥	353,671

Statements of Consolidated Cash Flows [Supplementary Information] (Unaudited)

(Millions of Yen)

	Six-month period ended September 30, 2010	Six-month period ended September 30, 2009
Operating Activities:		
Net income before attribution of noncontrolling interests	¥ 198,448	¥ 77,389
Adjustments to reconcile net income before attribution of noncontrolling interests to net cash provided by operating activities:		
Loss from discontinued operations - net (after income tax effect)	—	759
Depreciation and amortization	69,815	67,684
Pension and severance costs, less payments	6,521	6,181
Provision for doubtful receivables	3,483	4,475
Gain on sales of securities - net	(1,214)	(3,766)
Loss on write-down of securities	6,848	18,651
Gain on disposal or sales of property and equipment - net	111	(755)
Impairment loss of long-lived assets	2,527	999
Impairment loss of goodwill	-	3,108
Deferred income taxes	4,470	(10,923)
Equity in earnings of associated companies, less dividends received	(29,255)	(4,441)
Changes in operating assets and liabilities:		
Decrease in trade receivables	25,563	105,454
(Increase) decrease in inventories	(28,117)	53,033
Decrease in trade payables	(25,607)	(62,302)
Other - net	37,252	73,334
Net cash provided by operating activities of discontinued operations	-	(91)
Net cash provided by operating activities	270,845	328,789
Investing Activities:		
Net decrease in time deposits	11,300	1,217
Net increase in investments in and advances to associated companies	(25,676)	(2,111)
Net (increase) decrease in other investments	(93,539)	32,780
Net (increase) decrease in long-term loan receivables	(23,070)	3,436
Net increase in property leased to others and property and equipment	(149,494)	(75,035)
Net cash used in investing activities	(280,479)	(39,713)
Financing Activities:		
Net increase (decrease) in short-term debt	52,303	(139,653)
Net (decrease) increase in long-term debt	(64,459)	90,086
Transactions with noncontrolling interest shareholders	9,012	(8,189)
Purchases of treasury stock - net	(208)	(16)
Payments of cash dividends	(20,081)	-
Net cash used in financing activities	(23,433)	(57,772)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(23,485)	6,258
Net (decrease) increase in Cash and Cash Equivalents	(56,552)	237,562
Cash and Cash Equivalents at Beginning of Period	1,401,399	1,147,809
Cash and Cash Equivalents at End of Period	¥ 1,344,847	¥ 1,385,371

Note: In accordance with ASC205-20, the figures for the six-month period ended September 30, 2009 relating to discontinued operations have been reclassified.

Operating Segment Information [Supplementary Information] (Unaudited)

The companies allocate their resources and review their performance by operating segments comprised of the business units of the Head Office and region-focused operating segments comprised of the regional business units. The companies' operating segments have been aggregated based on the nature of the products and other criteria into eight product-focused reportable operating segments and three region-focused reportable operating segments.

Six-month period ended September 30, 2010 (from April 1, 2010 to September 30, 2010)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure Projects	Chemical	Energy	Foods & Retail	Consumer Service & IT	Logistics & Financial Markets
Revenues	81,718	224,488	124,187	386,606	667,775	283,262	73,552	37,497
Gross Profit	19,910	90,516	44,260	31,827	103,570	37,112	24,383	21,563
Operating Income (Loss)	4,209	81,573	2,592	8,090	73,298	4,994	(4,742)	6,591
Equity in Earnings of Associated Companies -Net	1,966	46,156	13,527	1,908	22,115	1,546	1,711	6,212
Net Income attributable to Mitsui & Co., Ltd.	3,929	77,133	9,600	4,826	64,856	2,908	1,483	3,332
Total Assets at September 30, 2010	465,222	956,712	1,460,741	573,641	1,438,633	603,618	517,248	372,973

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenues	190,482	73,388	60,470	2,203,425	902	-	2,204,327
Gross Profit	38,206	10,616	15,163	437,126	398	298	437,822
Operating Income (Loss)	15,012	1,891	2,616	196,124	(2,728)	(23,571)	169,825
Equity in Earnings of Associated Companies -Net	2,866	46	1,414	99,467	-	486	99,953
Net Income attributable to Mitsui & Co., Ltd.	9,793	647	21,997	200,504	2,097	(19,367)	183,234
Total Assets at September 30, 2010	388,953	113,545	331,458	7,222,744	2,708,216	(1,720,366)	8,210,594

Six-month period ended September 30, 2009 (from April 1, 2009 to September 30, 2009) (As restated)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure Projects	Chemical	Energy	Foods & Retail	Consumer Service & IT	Logistics & Financial Markets
Revenues	53,868	131,546	112,101	403,485	597,705	270,480	82,525	41,815
Gross Profit	16,855	32,243	44,093	33,746	66,489	42,460	26,457	24,739
Operating Income (Loss)	(561)	24,475	4,883	8,454	38,476	11,627	(6,434)	10,652
Equity in Earnings of Associated Companies -Net	1,732	14,458	18,407	84	14,884	4,869	(3,911)	2,659
Net Income (Loss) attributable to Mitsui & Co., Ltd.	1,542	31,798	19,813	5,189	30,984	(6,496)	(5,420)	1,073
Total Assets at September 30, 2009	432,845	820,607	1,336,337	552,667	1,527,551	609,792	534,433	401,798
Total Trading Transactions	465,309	257,038	493,425	804,825	733,181	909,344	202,226	74,737

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenues	221,179	48,725	42,300	2,005,729	1,241	(5,811)	2,001,159
Gross Profit	35,571	7,729	13,494	343,876	351	301	344,528
Operating Income (Loss)	6,108	(3,163)	1,953	96,470	(2,432)	(18,045)	75,993
Equity in Earnings of Associated Companies -Net	84	625	1,980	55,871	-	143	56,014
Net Income (Loss) attributable to Mitsui & Co., Ltd.	(5,588)	(1,038)	13,494	85,351	1,144	(13,660)	72,835
Total Assets at September 30, 2009	438,034	156,884	264,453	7,075,401	2,838,098	(1,618,525)	8,294,974
Total Trading Transactions	247,295	213,589	191,615	4,592,584	1,241	(6,093)	4,587,732

Notes:1. In accordance with ASC205-20, the figures for the six-month period ended September 30, 2009 relating to discontinued operations have been reclassified. The reclassification to "Loss from Discontinued Operations - Net (After Income Tax Effect)" is included in "Adjustments and Eliminations."

2. "All Other" includes business activities which primarily provide services, such as financing services and operations services to external customers and/or to the companies and associated companies. Total assets of "All Other" at September 30, 2009 and 2010 consisted primarily of cash and cash equivalents and time deposits related to financing activities, and assets of certain subsidiaries related to the above services.
3. Net Income attributable to Mitsui & Co., Ltd. of "Adjustments and Eliminations" includes income and expense items that are not allocated to specific reportable operating segments, such as certain expenses of the corporate departments, and eliminations of intersegment transactions.
4. Transfers between operating segments are made at cost plus a markup.
5. During the six-month period ended September 30, 2010, Westport Petroleum, Inc. which was formerly operating under "Americas" segment, was transferred to "Energy" segment with the aim to optimize global oil trading/marketing strategy. In accordance with this change, the operating segment information for the six-month period ended September 30, 2009 has been restated to conform to the current period presentation.
6. During the six-month period ended September 30, 2010, revenues were newly included in the measure of segments' performance reviewed by the chief operating decision maker. Therefore revenues of the operating segments are disclosed in the operating segment information instead of total trading transactions. In accordance with this change, revenues are added to the operating segment information for the six-month period ended September 30, 2009 to ensure comparability.
7. Operating Income (Loss) reflects the companies' a) Gross Profit, b) Selling, general and administrative expenses, and c) Provision for doubtful receivables as presented in the Statements of Consolidated Income.
8. During the six-month period ended March 31, 2010, the companies changed the reporting of total trading transactions for transactions where the Company and certain subsidiaries serve as an agent, and not as a contracting party, from gross amounts, which included transaction volume exchanged between the contracting parties and commissions earned as an agent; to net amounts, which include only commissions. In accordance with this change, the operating segment information for the six-month period ended September 30, 2009 has been reclassified.

Corporate Mission, Vision and Values

Mission

Strive to contribute to the creation of a future where the aspirations of the people can be fulfilled.

Vision

Aim to become a global business enabler that can meet the needs of our customers throughout the world.

Values

- Build trust with fairness and humility.
- Aspire to set high standards and to contribute to society.
- Embrace the challenge of continuous innovation.
- Foster a culture of open-mindedness.
- Strive to develop others and oneself to achieve full potential.

Fiscal year end	March 31
Record date	March 31
Interim dividend record date	September 30
General Shareholders' Meeting	June
Manager of the Register of Shareholders (head office)	The Chuo Mitsui Trust & Banking Company Limited 33-1 Shiba, 3-chome, Minato-ku, Tokyo
Contact information for above	The Chuo Mitsui Trust & Banking Company Limited, Stock Transfer Agency Division, 8-4 Izumi, 2-chome Suginami-ku, Tokyo, 168-0063 Tel: 0120-78-2031 (free dial)
Representative branches for above	The Chuo Mitsui Trust & Banking Company Limited (various locations around the country) Japan Securities Agents, Ltd. (main office, various locations around the country)
Stock exchange listings	Tokyo, Osaka, Nagoya, Sapporo, Fukuoka

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